Supreme Court, U.S.
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No.

IN THE

Supreme Court of the United States

JOSEPH M. STABILE,

Petitioner

v.

UNITED STATES OF AMERICA

Respondent

On Petition For Writ Of Certiorari
To The
United States Court Of Appeals For The Seventh Circuit

PETITION FOR WRIT OF CERTIORARI

Joseph M. Stabile
In propria persona
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Questions Presented for Review

The Petitioner was sentenced to twenty-seven months incarceration pursuant to a plea agreement wherein he pleaded guilty to one count under 18 U.S.C. § 1343 and one count under 26 U.S.C. §7206. The following questions are respectfully submitted for the Court's review:

I.

Whether 18 U.S.C. § 1343 is unconstitutional either as written, as applied, or because Congress lacked the authority to enact it.

II.

Whether the trial court in the Southern District of Indiana had jurisdiction to sentence the Petitioner.

III.

Whether the trial court violated the Petitioner's Sixth Amendment rights, as clarified in *Blakely v. Washington*, __ U.S. __, 124 S. Ct. 2531, 159 L.Ed.2d 403 (2004), by enhancing his sentence based on facts not admitted to.

Parties to the Proceeding

The names of all parties to this proceeding appear on the cover hereto.

Table of Contents

Questions Presented for Review ..... (i)

Parties to the Proceeding ..... (ii)

Table of Contents ..... (iii)

Table of Authorities ..... (v)

Citation to Opinion 1

Statement of Jurisdiction 2

Constitutional Provisions and Statutes Implicated 3

Statement of the Case 4

Factual Background 4

Decisions Below 4

Argument 6

I. The Court Must Declare 18 U.S.C. § 1343 Unconstitutional For The Good Of America, Because The Federal Reserve Is A Private Entity, And Because The Statute's Enactment Was Not Within Congress' Authority 6

II. The District Court Had No Jurisdiction To Sentence Petitioner Under 18 U.S.C. § 1343 14

A. There Were Insufficient Interstate Acts To Subject Petitioner To Federal Law 14

B. Even If 18 U.S.C. § 1343 Applied, The District Court Did Not Have Jurisdiction 15

III. The Petitioner's Sentence Was Unconstitutionally Enhanced Under The *Blakely* Decision 17

IV. Conclusion 18

Appendix 19

Table of Authorities

Cases:

American Insurance v. 356 Bales of Cotton,
26 U.S. 511, 7 L. Ed. 242 (1828) 16
Blakely v. Washington,
__ U.S. __, 124 S. Ct. 2531, 159 L.Ed.2d 403 (2004) 17, 18
Carpenter v. United States,
484 U.S. 19, 108 S. Ct. 316, 98 L. Ed. 2d 275 (1987) 6
Committee for Monetary Reform v. Board of Governors of the Federal Reserve System,
766 F.2d 538 (1985) 13
Donmar Enterprises, Inc. v. So. National Bank of N.C.,
64 F.3d 944 (4th Cir. 1995) 10
Erie R.R. v. Tompkins,
304 U.S. 64, 58 S. Ct. 817, 82 L. Ed. 1188 (1938) 15
Graves v. Administrator,
541 F.2d 159, 161 (6th Cir. 1976) 16
Hugi v. United States,
164 F.3d 378, 381 (7th Cir. 1999) 15
Legal Tender Case; Juilliard v. Greenman,
110 U.S. 421, 444, 4 S. Ct. 122, 128, 28 L. Ed. 204, 213 (1884) 11, 12
Lewis v. United States of America,
680 F.2d 1239, 1241 (1982) 9
Romero v. International Terminal Operating Co.,
358 U.S. 354, 79 S. Ct. 468, 3 L. Ed. 2d 368 (1959) 16
Rudolph v. Steinhardt,
721 F.2d 1324(11th Cir. 1983) 12

Sedima v. Imrex,
473 U.S. 479, 105 S. Ct. 3275, 87 L. Ed. 2d 346 (1985) 14
Schmuch v. United States,
489 U.S. 705, 109 S. Ct. 1443, 103 L. Ed. 2d 734 (1989) 14
United States v. Evans,
844 F.2d 36 (2nd Cir. 1988) 6
United States v. Feldman,
711 F.2d 758 (7th Cir. 1983) 6
United States v. Gimbel,
830 F.2d 621 (7th Cir. 1987) 6
United States v. Herron,
825 F.2d 50 (5th Cir. 1987) 6
United States v. Ringer,
300 F.3d 788 (7th Cir. 2002) 14, 15
Wau-pe-man-qua v. Aldrich,
28 F. 489 (C.C.D. Ind. 1886) 16

Constitutional, Statutory, and Regulatory Provisions:

U.S. Const. art. I, § 8 10
U.S. Const. art IV, cl 2 16
U.S. Const. 6th Amend. 17, 18
18 U.S.C. § 1341 6
18 U.S.C. § 1343 ..... 6, 9, 15
26 U.S.C. § 7206(2) .....
31 U.S.C. § 5118 12
55 F.R. 40791 (1990) 10

Secondary Sources:

S. Rep. No. 44, 82d Cong., 1st Sess. 19 (1951) 6

Petition for Writ of Certiorari, No. 03-8506 (2004), *writ denied by Markevitz v. United States,* 540 U.S. 1210, 124 S. Ct. 1487, 158 L. Ed. 2d 136 (2004) 7-9
Mack Ott, "Money, Credit, and Velocity," 64 FED. RESERVE BANK OF ST. LOUIS REVIEW 21, 25 (1982). ... 11
UNITED STATES ATTORNEY'S MANUAL, § 9-43.1210 (1984) 14

Citation to Opinion

The United States Court of Appeals for the Seventh Circuit's unpublished opinion in this case is reported at 122 Fed. Appx. 856 (7th Cir. 2005) and is reprinted in the Appendix hereto.

Statement of Jurisdiction

The decision of the United States Court of Appeals for the Seventh Circuit was entered on February 2, 2005. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254.

Constitutional Provisions and Statutes Implicated

U.S. Const. Art. I, Sec. 8, Cl 5. Coinage, weights and measures.

To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures."

U.S. Const. 6th Amend. Rights of the accused.

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his defence.

18 U.S.C. § 1343. Fraud by wire, radio, or television

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation affects a financial institution, such person shall be fined not more than $ 1,000,000 or imprisoned not more than 30 years, or both.

Statement of the Case

I. Factual Background

The Petitioner, Joseph Stabile, was accused of inducing a resident of the state of Indiana to invest $98,000 in a company owned by him, and then using the money for his own ends. The Petitioner's son was on the company's payroll while attending college, and the Petitioner was also accused helping his son file false tax returns. Pursuant to a plea agreement the Petitioner pleaded guilty to one count of wire fraud, 18 U.S.C. § 1343, and one count of aiding and abetting a false tax return, 26 U.S.C. § 7206(2). The Petitioner accepted the agreement with the understanding that jurisdiction would be transferred to California pursuant to Federal Rule of Criminal Procedure 20. The original agreement provided for fifteen to twenty-one months incarceration.

Anticipating the transfer, the Petitioner retained counsel in Los Angeles, California. Said counsel advised Petitioner that it was unnecessary to attend a hearing scheduled in Indiana in April of 2003. Petitioner followed the advice of his attorney, but a bench warrant was issued based on his failure to attend the hearing. After his arrest, Petitioner was sentenced to twenty-seven months incarceration, three years of supervised release, and ordered to pay $98,000.00 restitution.

II. Decisions Below

Immediately after sentencing, the Petitioner filed an appeal with the United States Court of Appeals for the Seventh Circuit. This appeal was prepared and filed without benefit of counsel. Furthermore, Petitioner's original release date of June 22, 2004 was arbitrarily

delayed until July 28, 2004. The brief to the Circuit Court was due July 26, 2004.

The Circuit Court decided the issue on the briefs, without oral argument. It issued an Order February 2, 2005, in which it dismissed part of Petitioner's arguments as 'frivolous' without discussing the merits, and in fact claiming that they were similar to arguments raised in other recent cases which in fact share nothing in common other than a constitutional attack on the wire fraud statute, 18 U.S.C. § 1343. The court refused to consider the remainder of Petitioner's arguments due to 'lack of development' in the Petitioner's brief, in spite of the fact that Petitioner did in fact develop these arguments and that the court was aware of Petitioner's *pro se* status.

Argument

The Court should grant a Writ of Certiorari to hear this case because it concerns issues of utmost importance to all Americans. In addition, the federal wire fraud statutes are unconstitutional on many levels, there was no jurisdiction to sentence the Petitioner in the district court in Indiana, and his sentence was unconstitutionally enhanced.

I. The Court Must Declare 18 U.S.C. § 1343 Unconstitutional For The Good Of America, Because The Federal Reserve Is A Private Entity, And Because The Statute's Enactment Was Not Within Congress' Authority

The federal wire fraud and mail fraud statutes, 18 U.S.C. § 1343 and 18 U.S.C. § 1341 respectively, are basically identical with the obvious exception of the former concerning communication via wire and the latter concerning communication via mail. In enacting the wire fraud statutes, Congress "intended merely to establish . . . a parrallel provision [to that] now in the law for fraud by mail." S. Rep. No. 44, 82d Cong., 1st Sess. 19 (1951). Many courts, including this one, have recognized the similarity in the two statutes and applied the same analysis to both. *See, e.g., Carpenter v. United States*, 484 U.S. 19, 24, 108 S. Ct. 316, 320, 98 L. Ed. 2d 275, 282, at n. 6 (1987) (stating that "the mail and wire fraud statutes share the same language in relevant part, and accordingly we apply the same analysis to both sets of offenses here"); *United States v. Evans*, 844 F.2d 36 (2nd Cir. 1988) (referring to the wire and mail fraud counts collectively as the 'federal fraud' counts, because both statutes share the same relevant language); *see also United States v. Gimbel*, 830 F.2d 621, 627 (7th Cir. 1987); *United States v. Herron*, 825 F.2d 50, 54 n.5 (5th Cir. 1987); *United States v. Feldman*, 711 F.2d 758, 763 n. 1 (7th Cir. 1983).

The following is a verbatim account that was submitted under oath, previously presented to this Court in a Petition for Writ of Certiorari:

> U.S. District Court Judge Maxine Chelsney (Northern District of California) made a monumental decisions, which, if published (in 1973), would have been a pivotal, precedent-setting case. At the time, Judge Chelsney w as a Superior Court Judge for the State of California in San Francisco, California.
>
> A United States Postal Inspector was on the witness stand being cross-examined by the defense counsel. The Inspector was asked, "Is the Postal Service a part of the federal government?"
>
> When the Inspector said , "No," Judge Chelsney was so surprised, then she assumed the questioning.
>
> "What?" she exclaimed, "The Postal Service is not part of the government?"
>
> "No ma'am."
>
> "When did this happen?"
>
> "Sometime in July of 1970."
>
> "How did that happen?"
>
> "The federal government sold the postal department to a private corporation."
>
> "What? The federal government does not own the postal department?"
>
> "The Postal Service . . . when the government sold the postal department to a private corporation, the private corporation changed the name from the U.S. Postal Department to the U.S. Postal Service."
>
> "But you are paid by the government . . . the U.S. Treasury Department."

"No ma'am."

"What?"

"At the same time, the government gave half of the Treasury Department to the Federal Reserve Bank so that there are two treasuries. One part is called the United States Treasury and the other part is called the Treasury of the United States. You get paid by the United States Treasury but we get paid by the Treasury of the United States. The way I understand it, the U.S. Postal Service gives the money to the Treasury of the United States. The Treasury of the United States then pays our salaries by check on the Treasury of the United States."

"We have two treasuries?"

"Yes ma'am."

"Gentleman, we have a Constitutional issue here."

Prosecutor: "Yes ma'am."

Defense: "Indeed so ma'am, indeed so."

(After deliberation), "This is my decision. I'm dismissing the charges because the mail laws are unconstitutional. The federal laws regarding the U.S. Mails were established for the U.S. Postal Department . . . an agency of the United States . . . not for the Postal Service . . . a private corporation. When the federal government sold the Postal Department to the a private corporation, it nullified the federal laws relating to the U.S. Mails. The government cannot make laws regulating and protecting one private corporation and then exclude other private corporations. As the law stands now, a person could be arrested for stealing a memo from a secretary of a boss in a corporation like

> I.B.M. That is unconstitutional. Even if the federal government subsidizes the Postal Service, it is still a private corporation and the government cannot make laws concerning a single private corporation. If so, the federal government could regulate Ford and allow Chevrolet complete autonomy . . . No, gentlemen . . . not in this Court . . . the federal mail laws are unconstitutional.
>
> Charges are dismissed . . . case is closed."

Petition for Writ of Certiorari, No. 03-8506 (2004), *writ denied by Markevitz v. United States,* 540 U.S. 1210, 124 S. Ct. 1487, 158 L. Ed. 2d 136 (2004).

In September of 1994, Section 1343 was amended, adding "or deposits or causes to be deposited any matter or thing whatsoever to be sent or delivered by ***any private or commercial*** interstate carrier." (emphasis added).

Wire transfers, such as the one in this case, are conducted through the Federal Reserve. Like the U.S. Postal Service, the Federal Reserve Banks are "independent, privately owned and locally controlled corporations." *Lewis v. United States of America*, 680 F.2d 1239, 1241 (1982). "Each Federal Reserve Bank is a separate corporation owned by commercial banks in its region." *Id.* The same logic and reasoning used by Judge Chelsney in determining that the mail fraud statute was unconstitutional because a private entity was delivering the mail applies to the wire fraud statute, where a private bank is delivering the money.

The Federal Reserve Board, despite not being a governmental body, in effect makes federal law. As an example, the Board has stated "the adoption of these rules as federal law is necessary, in light of the national scope of the Fedwire system" and "is necessary to ensure that law applicable to funds transfers involving Federal Reserve Banks is uniform for all Fedwire funds transfers, regardless of the location of the

banks involved in the funds." 55 F.R. 40791 (1990). This regulation specifies that inconsistent provisions of state law are pre-empted, while state law that does not conflict is not pre-empted.

> It is apparent from the U.C.C. commentary that a uniform and comprehensive national regulation of Fedwire transfers was the goal of the Board in adopting Article 4A. n9 Furthermore, the Board has made clear that the type of state laws it considers not in conflict with Subpart B are state laws specifically governing funds transfers and parties not subject to Subpart B.

Donmar Enterprises, Inc. v. So. National Bank of N.C., 64 F.3d 944, 949 (4th Cir. 1995).

Congress has bestowed exclusive jurisdiction of the banking sector of this nation to the Federal Reserve. It literally makes its own federal laws, which trump state laws that are not in harmony with what it decrees.

The actions of the Federal Reserve aside, Congress had no authority to abandon its responsibility to the Federal Reserve, and the statutes doing so (thereby created the Federal Reserve) are unconstitutional. The Constitution grants Congress the authority to "coin Money [and] regulate the Value thereof." U.S. Const. art. I, § 8. Congress has transferred this to the Federal Reserve, and the GAO is prohibited – except with express permission – from auditing the Federal Reserve. Congress has the authority to "regulate the value" of money, but it does not have the authority to give away that ability to a private entity that is beyond its control. The Federal Reserve is regulating the value of money, and Congress has no say. Congress may be able to delegate authority in some instances, but the Constitution gives it no right to complete abdicate such authority. It is made infinitely worse by the fact that the entity to which Congress – an elected body – abdicated authority over such a crucial issue is not only completely free of the

oversight of elected officials, but is in fact a private corporation.

In addition to ceding control of the American economy to a private corporation, the 'money' issued by the Federal Reserve has value only because they say so:

> Modern monetary systems have a fiat base – literally money by decree – with depository institutions, acting as fiduciaries, creating obligations against themselves with the fiat base acting in part as reserves. . . . However, a forceful explanation as to why money is accepted is that the federal government requires it as payment for tax liabilities. Anticipation of the need to clear this debt creates a demand for the pure fiat dollar. . . . In the United States neither paper currency nor deposits have value as commodities."

Mack Ott, "Money, Credit, and Velocity," 64 FED. RESERVE BANK OF ST. LOUIS REVIEW 21, 25 (1982). This Court has said that such money is valid, but only as an adjunct to Congress' power "to borrow money on the credit of the United States." *Legal Tender Case; Juilliard v. Greenman*, 110 U.S. 421, 444, 4 S. Ct. 122, 128, 28 L. Ed. 204, 213 (1884). The power to borrow:

> is the power to raise money ***for the public use*** on a pledge of the public credit, and may be exercised to meet either present or anticipated expenses and liabilities of the government. It includes the power to issue, in return for the money borrowed, the obligations of the United States in any appropriate form. . . . ***Congress*** has authority to issue these obligations in a form adapted to circulation from hand to hand in the ordinary transactions of commerce and business. In order to promote and facilitate such circulation, to adapt them to use as currency, and to make them more current in the

> market, it may provide for their redemption in coin or bonds, and may make them receivable in payment of debts to the government.

(emphasis added) *Id.* The timing of the above case is of the utmost significance: it was during a time of national emergency, namely the Reconstruction period following the Civil War, and the bulk of the notes in question had been printed during the war itself. Even so, notice the focus on the power belonging to Congress and the necessity of a public use of the funds raised by issuing such notes.

Far from benefitting the public, the present system is administered by a private corporation and benefits primarily bankers and money speculators. At one time, paper money could be exchanged on demand for 'real' money: specie such as gold or silver. Legislature enacted in 1933, however, devalued the currency of the United States by prohibiting the payment of specie in exchange for paper money. 31 U.S.C. § 5118; *see also Rudolph v. Steinhardt*, 721 F.2d 1324, 1325-26 (11th Cir. 1983). This legislation, and subsequent Executive Orders, devalued the currency by some forty percent.

Instead of being tied to a stable, valuable commodity, our 'money' now flutters on the breezes of world currency trading and the whims of the Federal Reserve. The net result is that Americans are working more and more and what they receive is worth less and less. The hardest hit are the poor and those on fixed incomes, but even 'middle-class' families now require both parents to work full-time in order just to maintain their standard of living, let alone be able to get ahead.

While it may seem that we have wandered somewhat from the original point of this Petition, nothing is further from the truth. The validity of the Federal Reserve system, its paper money and Fedwire regulations, are all phony. Federal Reserve Banks are locally owned and controlled by private commercial banks.

In *Committee for Monetary Reform v. Board of Governors of the Federal Reserve System*, 766 F.2d 538 (1985), several concerned individuals challenged the constitutionality of the Federal Reserve System. The plaintiffs argued that the statutes authorizing the Federal Reserve to control the money supply "represent an unconstitutional delegation of the Article I, Section 8 power of Congress, 'To coin money [and] regulate the value thereof. . .' in that neither they nor any other statutes provide any meaningful criteria to guide the administrative exercise of the power so delegated." *Id.* at 541. The court in that case refused to consider the Constitutionality of the statutes, disposing of the matter instead on the grounds that the plaintiffs had no standing. *Id.*

Unlike in the above case, however, the Petitioner has standing to argue the constitutionality of these statutes because they intimately effect the constitutionality of the statute he was sentenced under. The fact that the Federal Reserve System is unconstitutional directly effects the validity of the Fedwire system, transfers over that system, and in fact currency in general.

A ruling by this Court that the wire statute is unconstitutional would be a wake-up call to the American people. The judiciary is the only branch of government not heavily influenced by those who most benefit from the current system. Modern political campaigns are enormously expensive (thanks in part to the devaluation of our currency), and both the legislature and executive branch are beholden to those who hold the purse strings – and those with the deepest pockets are the ones that benefit most from the current system.

II. The District Court Had No Jurisdiction To Sentence Petitioner Under 18 U.S.C. § 1343

A. There Were Insufficient Interstate Acts To Subject Petitioner To Federal Law

If the Petitioner's actions were truly 'interstate,' the Petitioner should have been charged in Florida – where the only 'interstate' action/effect took place. Otherwise, he should have been charged in Indiana – under Indiana state criminal law – for any fraudulent activity in that state. According to the United States Department of Justice, only when a mail/wire fraud scheme is directed at a "class of persons or the general public [will] serious consideration be given to prosecution." UNITED STATES ATTORNEY'S MANUAL, § 9-43.1210 (1984). Otherwise, "the parties should be left to settle their differences by civil or criminal litigation in the state courts." *Sedima v. Imrex*, 473 U.S. 479, 105 S. Ct. 3275, 87 L. Ed. 2d 346 (1985).

In *United States v. Ringer*, 300 F.3d 788 (7th Cir. 2002), an individual was charged with making false statements to federal officers in the Eastern District of Kentucky, but he was tried in the Southern District of Indiana. *Id.* at 792. The appellate court held that although the underlying crime occurred at another locality, the statements were intended to influence a trial set to occur in Indiana. *Id.*

No interstate nexus played a significant part in enabling the Petitioner to acquire dominion over the amount of money at issue. The interstate nexus requirement of mailing, wiring or even communicating must, at the very least, be incidental to an essential part of the charged activity. *Schmuch v. United States*, 489 U.S. 705, 710-11, 109 S. Ct. 1443, 1447-48, 103 L. Ed. 2d 734, 742-43 (1989). Both the Petitioner and the alleged victim were located in the state of Indiana at all relevant times. The mere fact that money left the state should not vest the federal court with jurisdiction nor subject the Petitioner to federal law.

> The nexus with interstate commerce, which courts frequently call the 'jurisdictional element,' is simply one of the essential elements of [the offense]. Although courts frequently call it the 'jurisdictional element' of the statute, it is 'jurisdictional' only in the shorthand sense that ***without that nexus, there can be no federal crime***

Hugi v. United States, 164 F.3d 378, 381 (7th Cir. 1999) (emphasis added).

The relevant parts of the wire fraud statute state define the offense as "obtaining money or property by means of false or fraudulent pretenses, representations, or promises" and requires transmission "by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds ***for the purpose*** of executing such scheme or artifice." 18 U.S.C. § 1343 (emphasis added). Any such transmission, however, was completely incidental any "scheme or artifice."

If there was any criminal act – or any act at all – for the purpose of executing a fraudulent scheme, it occurred solely within the state of Indiana. Only at the completion of such act, where the "obtaining money by false or fraudulent pretenses" was entirely complete, was there an interstate wire transfer of money. By its plain language, the statute simply does not apply under the facts of this case. Any jurisdiction claimed through application of this statute or prosecution thereunder was void.

B. Even If 18 U.S.C. § 1343 Applied, The District Court Did Not Have Jurisdiction

There are only two bases for a federal court to Constitutionally exercise criminal jurisdiction over a defendant: the common law, and admiralty jurisdiction. This Court held in *Erie R.R. v. Tompkins*, 304 U.S. 64, 58 S. Ct. 817, 82 L. Ed. 1188 (1938) that there was no general

federal common law. Specifically, there are no federal common law crimes. Accordingly, under the U.S. Constitution, federal law crimes can only be brought under admiralty jurisdiction.

The term "United States District Court" is defined as a legislative - territorial court, created under Article IV, clause 2 of the U.S. Constitution, and is not an Article III, District Court of the United States. "U.S. District Courts are not Courts of general jurisdiction. They have no jurisdiction, except as prescribed by Congress pursuant to Article III of the Constitution." *Graves v. Administrator*, 541 F.2d 159, 161 (6th Cir. 1976).

Admiralty jurisdiction requires that a maritime contract be involved, that the defendant be a party to that contract, has in fact breached that contract, and the Court is invoking Admiralty jurisdiction. In *American Insurance v. 356 Bales of Cotton*, 26 U.S. 511, 7 L. Ed. 242 (1828) and in *Romero v. International Terminal Operating Co.*, 358 U.S. 354, 79 S. Ct. 468, 3 L. Ed. 2d 368 (1959), this Court held that Admiralty jurisdiction can only be involved in an Article III, section 2, clause 1 Court.

In *Wau-pe-man-qua v. Aldrich*, 28 F. 489 (C.C.D. Ind. 1886), the court held that: "By the preamble to the first constitution of Indiana, framed in compliance with the enabling act of Congress, approved April 19, 1816, the Ordinance of 1787 for the government of the Northwest Territory was continued in force." Not only was the Northwest Ordinance to be in force in 1886, it was to be force in perpetuity. Under the terms of the ordinance, all inhabitants of Indiana were guaranteed to have all judicial proceedings only under common law.

The Petitioner thus could only be prosecuted under the common law, but as discussed earlier there are no federal common law crimes. That leaves only admiralty as a basis of jurisdiction, but admiralty actions can only be brought by an admiralty court, of which the Indiana district court was not one. Nor was the Petitioner party to an

international maritime contract or otherwise susceptible to admiralty jurisdiction.

III. The Petitioner's Sentence Was Unconstitutionally Enhanced Under The *Blakely* Decision

As discussed in the Statement of the Case, the Petitioner agreed to a plea agreement that, among other things, stipulated from fifteen to twenty-one months incarceration. However, the trial court sentenced him to twenty-seven months incarceration and refused to allow him to withdraw his plea. The increased sentence was based on Petitioners failure to appear at a hearing in Indiana – following his attorney's advice – and the court's subsequent issuance of a bench warrant. This enhancement of Petitioner's sentence based on facts not included in his plea agreement was unconstitutional.

In *Blakely v. Washington*, __ U.S. __, 124 S. Ct. 2531, 159 L.Ed.2d 403 (2004), this Court held that a similar sentence enhancement violated the defendant's Sixth Amendment rights. In *Blakely*, the defendant pleaded guilty to kidnapping his wife. The trial judge found that the defendant acted with "deliberate cruelty" and enhanced the sentence by nearly 40 months. *Id.* at 2534. However, the facts upon which the judge based the enhancement had not been ascertained by the jury nor admitted by the defendant in his plea agreement. "When a defendant pleads guilty, the State is free to seek judicial sentence enhancements ***so long as the defendant either stipulates to the relevant facts or consents to judicial factfinding.***" *Id.* at 2540 (emphasis added).

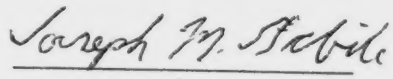
In this case, the judge enhanced the sentence by over one-quarter more than the originally agreed to sentence. Furthermore, he did so based on facts to which the Petitioner did not admit or stipulate.

Nor did the Petitioner consent to judicial fact finding. The trial court denied the Petitioner his Sixth Amendment rights.

IV. Conclusion

The Court should grant Certiorari in this case because matters of vital importance to the people of this country, and to America as a country, are at stake. Congress' abdication of control of the money supply is unconstitutional, and all statutes springing therefrom are likewise unconstitutional. Furthermore, the district court had no jurisdiction to hear this case and subsequently sentence the Petitioner. Finally, the Petitioner's sentence was unconstitutionally enhanced in violation of the Sixth Amendment.

Respectfully Submitted,



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Appendix

Opinion

UNPUBLISHED OPINION

United States Court of Appeals

For the Seventh Circuit

Decided February 2, 2005

No. 03-2154

UNITED STATES OF AMERICA,

Plaintiff-Appellee,

v.

JOSEPH M. STABILE,

Defendant-Appellee.

ORDER

Joseph Stabile pleaded guilty to one count of wire fraud, 18 U.S.C. § 1343, and one count of assisting in the preparation of a false tax return, 26 U.S.C. § 7206(2). The district court sentenced Stabile to concurrent 27-month terms of incarceration, three years of supervised release, and $ 98,000 in restitution. We affirm the judgment.

Stabile waived indictment and pleaded guilty to an information. He admitted inducing an Indiana resident to invest $ 98,000 in a defunct company; some of the money was wired from the victim's bank in Vincennes, Indiana to a bank in Florida where Stabile maintained an account. Stabile used the victim's money for his own personal expenses and gifts to his girlfriend, and diverted some to his son, a college student at the time. Stabile also admitted that each year from 1994 to 1997 he assisted in the preparation of federal income tax returns for his son that

falsely reported wages and tax withholdings; those returns claimed refunds of the fictitious tax payments along with earned income credits and netted the son $ 18,611. By the time he was sentenced in April 2003, Stabile had been in custody for almost seven months, and during the pendency of this appeal he completed his period of imprisonment.

Stabile, who is pro se, leads off with two patently frivolous contentions. Like others before him, he argues that the district court lacked jurisdiction over his prosecution because, he contends, jurisdiction over federal crimes arises only under the court's admiralty powers and regardless does not extend to offenses committed on lands not owned or controlled by the federal government. But in *Hugi v. United States*, 164 F.3d 378, 380 (7th Cir. 1999), we held that "there can be no doubt that Article III permits Congress to assign federal criminal prosecutions to the federal courts," and we have recognized in a long line of cases that challenges to the territorial jurisdiction of the district courts are frivolous, *e.g., United States v. Banks-Giombetti*, 245 F.3d 949, 953 (7th Cir. 2001). Moreover, we recently dismissed a contention very much like Stabile's that the wire fraud statute is an unconstitutional exercise of Congressional power. *See United States v. Hausmann*, 345 F.3d 952, 958 n.4 (7th Cir. 2003) (holding that Congress' power to regulate the use of interstate wire communications systems is authorized in the text of the Constitution itself--in Article I, Section 8, Clause 7).

Stabile also argues that his tax fraud conviction should be vacated because the venue of prosecution was improper. Questions of venue, though, are not jurisdictional, *see, e.g., Moore v. Olson*, 368 F.3d 757, 760 (7th Cir. 2004), and so they fall squarely within the rule that non-jurisdictional defects are waived by a guilty plea, see *United States v. Rogers*, 387 F.3d 925, 932 (7th Cir. 2004); *United States v. Elizalde-Adame*, 262 F.3d 637, 639 (7th Cir. 2001); see also *United States v. Brown*, 583 F.2d 915, 918 (7th Cir. 1978) (holding that a

defendant who pleads guilty waives "venue protection under Article III and the Sixth Amendment").

Stabile's remaining contentions--including a constitutional challenge to the institution of supervised release; a charge that the government breached an agreement to transfer his case to the Central District of California pursuant to Federal Rule of Criminal Procedure 20; an allegation that the government suppressed information contradicting its claim that Stabile willfully failed to appear for a court date during pretrial proceedings; a challenge based on the lack of an "interstate nexus" for the wire fraud charge; and the merest of allusions to the Supreme Court's decision in *Blakely v. Washington*, 159 L. Ed. 2d 403, 124 S. Ct. 2531 (2004)--are all waived for lack of development in the initial appellate brief, although some of them were developed further elsewhere. *See Duncan v. State of Wis. Dep't of Health and Family Servs.*, 166 F.3d 930, 934 (7th Cir. 1999) (holding that all arguments not developed in a party's opening brief will be deemed waived or abandoned); *Elizalde-Adame*, 262 F.3d at 640 (holding that arguments raised for the first time in the reply brief are waived). We, of course, construe the briefs of *pro se* defendants liberally, *see United States v. Atkinson*, 259 F.3d 648, 654 (7th Cir. 2001), but we will not search the record and craft Stabile's arguments for him.

AFFIRMED.

(2)

Supreme Court, U.S.
FILED
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IN THE SUPREME COURT OF THE UNITED STATE OF AMERICA

JOSEPH M. STABILE — **PETITIONER**

V. — **No. 04-1476**

UNITED STATES OF AMERICA — **RESPONDENT**

SUPPLEMENTAL BRIEF

Joseph M. Stabile
In propria persona
258 Calle Aragon
Laguna Woods, CA 92653
949.380.7942

Comes now Petitioner in this matter, and respectfully moves that the Court order the respondent hereto, the United States of America, to answer the issues raised in Petitioner's submission to this Honorable Court.

A sovereign has a sacred duty to protect and ensure the well-being of the people it is governing. In such action as this matter now before the Court, inaction -- a sin of omission -- is just as wrong as a sin of commission. The vast majority of the people employed by the government are, in Petitioner's opinion, good, honorable, and principled individuals. The problem does not lie with the respondent's attorneys; the problem lies in the system in which they are forced to work, which often compromises their core beliefs and values. In such a system as evil in nature as the Federal Reserve system, they literally have to compromise their souls for their paychecks.

This is germane to this matter because of the failure of Congress to place certain wording in the wire fraud statute, similar to the statute it was closely patterned after, the mail fraud statute; namely, it did not amend the wording to apply the statute to private entities. The private nature of the Federal Reserve System was adjudicated, for example, in *Lewis v. United States*, 680 F.2d 1239 (9th Cir.) which has been followed and cited by other

Circuits. The reason for this language to be omitted was that Congress did not want the American People to know the Truth. Namely, the truth that 'their' monetary system was unconstitutionally transferred to a private entity.

The Julliard v. Greenman Supreme Court decision, back in the 1800s, which permitted the printing of U.S. paper currency, did so only for the U.S. Treasury -- not a private banking entity, which is what the Federal Reserve system is. Furthermore, if one compares the definition of a coup d'etat with House Joint Resolution 192 on June 5, 1933, -- which in part made it a crime for Americans to own gold, and ordered us to deliver all gold to the nearest privately owned Federal Reserve Bank, except for that which is earmarked for the (also privately-owned) Bank of International Settlements in Basel, Switzerland – s/he will see that this was indeed this was a non-military coup d'etat.

This regime is still very much in existence today, with a portion of every Americans' earnings being directly allocated to the Federal Reserve, and indirectly to such it and its foreign cohorts, through unconstitutional fiat currency – making the average citizen no more than an economic slave. The result of this unlawful funny money, not backed with substance, is an

unbridled and continued erosion of Americans' purchasing power -- in effect a form of "hidden taxes."

The Supreme Court should require the government to respond to petitioner's application for Writ, to respond and state whether or not it is true that America has experienced a coup d'etat. In the law, as in other realms of discourse, it is held true that which is asserted and not refuted stands as Truth. The government needs to respond if this this other than true; it is does not, it is conceding the petitioner's arguments are Truth; namely, we did experience a coup d'etat. It is startling that it has not responded to refute the fact that we are no different than that of a banana republic.

Thomas Jefferson once wrote that, "I believe that banking institutions are more dangerous to our liberties, than standing armies. . . . If the American People ever allow private banks to control the issuance of their currency . . . the banks and the corporations that will grow up around the [banks] will deprive the People of all rights and property until their children wake-up homeless on the continent their fathers conquered." See the Debate over the recharter of the bank bill (1809).

John Maynard Keynes, the famous economist who helped foster our

present economic system, asserted that Lenin was absolutely right on how to bring down capitalism when he (Lenin) wrote: "By a continuing process of inflation, governments can confiscate secretly and unobserved, an important part of the wealth their citizens. There is no more subtler means of overturning the existing basis of society than to debauch the currency. This process engages all the hidden forces of economic law on the side of destruction, and does it in a manner not one man in a million would be able to diagnose." See 'Economic Consequences of Peace (1920) (emphasis added). A down to earth example of this is a Snicker bar that once cost five cents now costs seventy-five cents; a Coke used to cost ten cents, but now is a dollar; and a night in a Motel 6 formerly cost six dollars (which is how it got it's name), and is now fifty-four dollars. That is a 1500%, 1000%, and 900% price increase, or DECREASE in PURCHASING POWER.

Similar to the ever expanding theory of the universe, this system has to keep expanding and the purchasing power of our money has to keep eroding. This system must be incremental. If Cokes, for example, would shoot to $5 per drink from $1 overnight, there would be near riots.

One need not be a mathematician to see that 'our' currency is being

debauched. Although wages have risen, they have not done so proportionally to the debasement of the currency. There is an ever-widening gap between the mega-rich and the middle/lower classes. To those mega-rich with banking and financial interests, as will be further explained herein below, this is this is thus a "Reverse Robin Hood" system, stealing from the poor (and not so poor) to give to the rich. The vast majority simply does not understand how they are getting incrementally - inch by inch it is a cinch - RAPED BY FIAT, it is a "Rape Without A Kiss."

In large part, this is causing the implosion of the nuclear family. Innocent children -- innocent victims -- grow up neglected, basically abandoned, because now both parents have to work just to make ends meet.

The principal problem is the funny money or fiat currency of the private Federal Reserve (which in fact has no reserves). The Framers of the Constitution were extremely sensitive to having an honest and real currency, and for that express reason placed the "regulate the value thereof" clause in the Constitution for Congress. One cannot regulate the value thereof of something that has NO value. Thus, the Fed's funny money is unconstitutional"

The Supreme Court of the United States of America should demand that the Respondent United States explain how the currency forced upon Americans to use is anything other than a FRAUD.

The U.S.A. is being homogenized by this evil system with the rest of the planet; globalization in point of fact is homogenization, and it will continue as such if we don't stand up to it and be other than milquetoast. President James A. Garfield said, "Whoever controls the money in any country is absolute master of industry [legislation] and commerce." Former House Banking Chairman Wright Patman stated: "In the United States we have, in effect, two governments. . . . We have the duly constituted government. . . . Then we have an independent, uncontrolled, and uncoordinated government in the federal reserve system, operating the money powers which are reserved to Congress by the Constitution." A recent example which illustrates this fact is when President Bush, Secretary of Treasury Snow, and both side of the aisle in Congress were pressing China to revalue it's currency -- the merits, or lack of merits, of that issue aside -- and Greenspan in a speech said that would not do that much good.

After Greenspan's remarks, not one word of rebuttal from the Executive

or Legislative branches. Just who is running this show? If the Respondent was told by the Fed to stand-down in this matter because of it's sensitive material, should not this Court tell the Respondent to stand up, and stand up for America? Surely the Fed is not running the Judicial branch also.

It is interesting that President Kennedy sought to do away with the private Federal Reserve and ordered the production of United States Notes. If one objectively examines his murder, and what happened AFTER his death, s/he would find troublesome occurrences that very strongly suggest a massive plot was behind his killing. Five months before Dallas, President Kennedy ordered and began the production of United States Notes. Shortly after his murder, Johnson stopped such printing and did not begin it again. The Silver Act followed in 1965, which did to silver in our currency what HJR 192 did to gold in 1933. Of almost 30 witnesses who were to testify before the Warren Commission, they died 'mysteriously.' The Sunday London Times reported the odds of that were 100 trillion to one"

With Kennedy's death too, the Vietnam war escalated markedly. Cervantes wrote, "Study history or you will be condemned to repeat it." Bankers love wars" Government borrowers are secure, and they need very

big loans. What most people do not understand is the international nexus, or connection, in the scheme of things, and how this global scheme and schemers, adversely impact America and Americans.

The New York Times very recently (May 29 2005), in an article titled "An Indicator That Is Almost As Good As A Time Machine", discussed how a study of the Chicago Board of Trade's Fed Funds futures can enable one very much to determine what the Fed is going to do as far as interest rates. This Court's Petitioner brought this up, way prior to this article in his Appellate brief in concert with 9/11. Petitioner's field of expertise is technical analysis of the markets. With all due modesty, he was once dubbed the "Boy Wonder" of the markets, and his company in concert with Doubleday published a very good book on the markets. In essence, the fundamental premise of technical analysis is that the market(s) see and hear all, knows all, and can TELL all" Should anyone challenge the veracity of that statement, Petitioner can humbly state that he has made his clients millions of dollars in the markets, and such doubting Thomases should compare trading resumes with Petitioner's.

Just prior to 9/11 the Fed Funds futures, particularly the nearby

October contract, were moving nearly stagnant. Then - on Friday, Sept. 7 - just before Tuesday, Sept. 11, the market exploded upward, making new contracts high, and closing right off the high. This was accompanied by unusually high volume. Without any question, based on what ensued, this can be properly deemed as very strong circumstantial evidence, that someone(s) in the Fed knew 9/11 was going to happen, and in all likelihood got greedy and to put it blunt, made a killing on the killings. In the alternative, they sought to hedge significant portfolio positions for cohorts, and made recommendations accordingly. There is an inverse coorelation between this market going up and interest rates going down, and vice-versa.

After 9/11 this market soared upward, as the Fed fueled it by lowering interest rates almost daily. The government was trying to calm everyone down too. Why would the Fed do such a thing, almost daily, which ripple effect would not be immediately felt, unless there was an ulterior motive. This is not the persona Grandfather Greenspan like to radiate, as Mr. Greenspan is in reality nothing more than a glorified financial PIMP for certain international financial elements who are seeking to totally control this nation, and run it further in the ground.

The Fed Funds futures market is a very sophisticated market. Wacko terrorists would definitely not have any understanding how it works. Right after 9/11, there was much ado about inside knowledge too concerning other markets, in particular airlines stocks. Three agencies were given a mandate to investigate this; the lead one being the Federal Reserve. Because of what happened with the Fed Funds futures prior to the attacks and afterwards, the Petitioner bet one of his attorneys twenty dollars that nothing would come about from this so-called investigation.

Despite the overwhelming evidence, nothing did happen. At the very least, common decency should compel the Court to order Respondent to address these issue.

The Federal Reserve has NEVER been totally audited. This is akin to giving someone control over your checking and savings accounts and then you not being allowed to looked over verified banking statements. The former editor of the Harvard Business Review, in his book "The Death of Money" stated, that there is no accurate way of truly measuring money supply; it's impossible. Title 31 Section 714(b) regarding the Federal Reserve Accountability Act of 1993, states that the Fed can only be audited

by it's express permission. Even more asinine, this Act has certain exemptions, even with permission, that the GAO cannot 'go there', as, for example, the Fed's dealings with foreign government banks, or foreign governments.

Are our politicians who wrote and passed this law, that naïve and/or corrupt?

Congressman Henry B. Gonzolis, who sought like Congressman Paul now, to have the Fed abolished wrote this statement in the Federal Reserve Accountability Act of 1993: "There is no question that the Fed runs our nation's monetary policy because it has complete and final governmental authority to manage the United States money supply. The American public should know that the Federal Reserve Member Banks that vote for the Revenue Bank Directors (approximately 60 banks with $130 billion in asset, are foreign owned)." (emphasis added).

The Court should at the very least order the United States to respond to the allegations in this Motion and/or in the Petitioner's application for Writ of Certiorari. The issues at stake are much too important to be simply ignored or swept under the rug. The citizens of this country, and in fact the whole

world – most notably the French, who recently staved off a similar evil in their rejection of the 'constitution' of the European Union -- deserve to know the truth.

Respectfully submitted,

.....

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Exhibit 1

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'Who Shot Goldilocks?' targets Alan Greenspan

William D. Rutherford explores America's economic fall in the '90s

May 15, 2005

"Who Shot Goldilocks? How Alan Greenspan did in our jobs, savings, and retirement plans," by William D. Rutherford

William D. Rutherford was the treasurer of the state of Oregon and the chair of the Oregon Investment Council. He is a graduate of Harvard Law School and has served as the chief officer of two international investment firms. He runs Rutherford Investment Management. When it comes to economics and the economy, he knows what he is talking about.

In this book, he explains how the flourishing U.S. economy of the 1990s developed and why it took a fall from which it has not yet recovered. The title of the book is all you need to know as to the why of the fall, at least in Rutherford's opinion. His book makes the complex world of economics easy to understand. What he reveals is scary.

This book might be hard to find. Be persistent. Knowledge is power.

"A Cat's Tales: A Collection of Parables from the World of Medicine," by Doctor Harry Sockspit

This collection of 50 weird stories is often quite amusing. Supposedly, you're getting medical knowledge, but the author (does anyone think that is his real name?) tells you not to believe anything of the sort on the publishing page – though it's in small print.

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Sockspit's wit is an acquired taste, but if it suits you, you'll gobble it up. "Gamebold Gabilroy's Gastritis" is a real hoot, as is "The Dusty Dog Has His Day."

Author House is a print-on-demand publisher, so you'll have to order this book from a bookstore; it is unlikely they'll have one waiting for you on the

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Exhibit 2

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Home: Batra promotes new book 'Greenspan's Fraud'

Published: 2005-05-25

Batra promotes new book 'Greenspan's Fraud'

Greg Heffernan



India Post News Service

LOS ANGELES: Renowned author of five books on economics and frequently seen on CNN as an economic analyst, Dr. Ravi Batra recently addressed a special gathering at Loyola Marymount University about his new book Greenspan's Fraud. Written on the premise that administrations come and go but the dubious "head of the Fed" has never changed for nearly thirty years and he's been up to some sneaky "social security reform" antics, Batra's new book also offers progressive concepts on tax reform and a unique solution of helping alleviate America's massive 700 billion a year trade deficit by a duel exchange rate.

"Mr. Greenspan basically has no real allegiance to political parties, rather he loves power," said the soft spoken Professor who received his PhD from Southern Illinois University and who became the youngest tenured faculty at 30 years old at Southern Methodist University. "When you study Greenspan you see that he courts whoever is in power and that's why he has never been replaced, though his influence on the economy is profound."

Introduced to the audience by businessman Navin Doshi who praised him for his mastery of meditation, Professor Batra explained while he was also being telecast on C-SPAN, how during the Reagan Administration the government passed a 1981 tax cut but faced with a massive government spending deficit had to figure out a way to raise money without raising taxes. According to Batra the solution Greenspan found was in raising payroll taxes, money that ultimately should have been going to Social Security funds but instead was being siphoned off pay for massive government debt.

"I call this fraud because it has been knowingly done in an effort to promote what the tax payers would not have approved," said Batra who also showed breakdowns of 1980 Social Security deficits of 23 billion next to government spending deficits of 490 billion dollars. "Clearly government spending was the problem, not Social Security," emphasized Batra who pointed out that the payroll taxes that should have gone to make social security solvent were instead diverted to finance the government's deficits during the Reagan Administration, a policy that continued through the Bush, Clinton and currently Bush Jr. administrations.

"Many people perform fraud, but it is difficult to prove. I believe true spirituality exposes fraud," said Batra. "Back in the 80s to get Reagan re-elected they had to bring down government deficits so the payroll tax was the solution," he said, adding that legislation was passed in 1983 to raise payroll taxes. Greenspan was also made the chair of Social Security Reform Committee under Reagan. "Years later we discover 2 trillion dollars have been collected by the government in the form of payroll taxes but not for social security but to pay for the government. They sold this scheme as 'social security reform,'" said Batra.

In 1990 Senator Moynihan discovered that Social Security solvency wasn't improving after years of these payroll tax schemes and he proposed to eliminate them. However he was unsuccessful in stopping the policies. Batra then showed how Greenspan flip flopped in his policies as the head of the Fed where, for example, in 1977 to 79 Greenspan fought income tax cuts to fight inflation --- then in 1982 and 83 he agreed to income tax cuts to fight inflation.

Batra also questioned Greenspan's appointments to positions through his long career. "He started as chair of Economic Advisors under Gerald Ford without even a PhD. Then without any banking experience Regan appoints him chair of the Federal Reserve," said Batra who does not believe Greenspan will step down in 2006 though he is scheduled to do so.

Jun 01 05 01:25p MARCH FINANCIAL SERVICES 818 998 5049 p.15

Batra further suggested that our current tax policies in the US are what he calls "robber baron taxation" and that it is unethical. He showed how in the 1950s corporation tax rates were at 50 percent, top bracket taxpayers were paying as high as 85 percent taxes and economic growth was 4.1. By the 1980s corporation taxation was down to 45 percent, top bracket tax payers were paying 50 to 25 percent taxes and the US growth rate had dropped to 3.1 percent. Currently corporate taxes are at 33 percent, with top bracket taxpayers paying as low as at 36 percent and US economic growth is down to 2.8 percent with the poor paying more taxes now than 50 years ago. "Robber-baron taxation reduces economic growth especially if you raise the taxes on the poor because consumer spending and demand will fall," emphasized Batra. "This ultimately will cut GDP growth." Bartra feels that a stock market bubble exists right now because wages are trailing production with huge debt. Though Alan Greenspan wants to cut the minimum wage Professor Batra showed that with a rise of the minimum wage there is a rise in employment. "In the 50s wages kept up with production. In the year 2000 wages dropped with production. The result: bankruptcies are in record numbers and we have 36 million people living below poverty line. In 1965 23 million were living below poverty.

To further underscore his point Professor Batra showed that 11 percent of America's labor is in manufacturing so there is little to export from the US. This, among other things, is affecting America's massive trade deficits. "Now Congress wants China to revalue its currency but this will only make things worse," said Batra. "US export prices have to fall 50 percent and China will never go for that," he said. Instead Batra's solution is a dual exchange rate where the US sets up a special price rate for exports but does not raise import prices so as not to disrupt foreign trade partners. "It's relatively easily done, and we can implement it as a win win solution to something that's not going away," said Batra.

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ISSUES IN PERSPECTIVE

By David Grossack Updated: 3/13/2005

WHY I WANT TO SUE ALAN GREENSPAN !

Few institutions have done more damage to the well being of tl American people than the Federal Reserve System and its Chairman, Alan Greenspan.

The Federal Reserve, for the uninitiated, is a privately owned network of banks which have been permitted to issue "notes" which are legal tender in the fifty states of our country.

These so called "Federal Reserve Notes" represent no assets behind them. They are merely pieces paper made "legal tender" l an Act of Congress which are used as a medium of exchange because the public is made to believe they are valuable.

When Congress allowed Federal Reserve Notes to be legal tende it did so knowing full well that they did not conform to the Constitutional requirement for lawful money. Article I Section 8 of the Constitution clearly states that no states should accept anything but gold and silver as legal tender. No where in the Constitution are the states authorized to accept or use paper money.

The Federal Reserve's ability to print "dollars" and to place more and more money into circulation of no intrinsic value other than the chemical value of paper and ink, has decreased the purchasin power of the dollar steadily.

A home that cost $12,000. in 1962 cost $$380,000. in 2000. The house didn't change. The money did... it became increasingly worth less on Alan Greenspan's watch.

So much more money got into circulation, that it just steadily declined in value.

Lending policies of the Federal Reserve in the context of

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The Politics of

"fractional reserve banking" did not help much.

"Fractional reserve banking" permits a lender to lend out money does not have by creating bookkeeping credits. That allows the money supply to increase further.

In essence, the owners of the Federal Reserve System are issuing securities, disguised as money.

"Notes", even when they don't pay interest, technically fall into t category of securities subject to the regulatory scheme of both state Blue Sky Laws and the federal Securities Act of 1933.

Every "sale" of securities is an "event" subject to regulation. A "sale" of securities is defined broadly.

When securities regulators want to punish a target, they define a sale as an exchange in which the issuer gets "anything of value."

Purchasers of securities are supposed to get full disclosure when they are sold securities. This would include a prospectus detailin information about the issuer, including financial statements, and the identities of all "control persons" behind the issuer.

Because there has not been an audit of the Fed in quite sometime nobody is getting financial statements that would hold up to scrutiny under SEC law.

Because the Feds refuse to tell us who the shareholders are, nobody is getting disclosure about control persons,

Because the fractional reserve system devalues dollars yearly, nobody is getting the full value of their investment when they "acquire" dollars in a job or other transactions. Nobody is getting any kind of disclosure about fractional reserve banking when the receive federal reserve notes.

Under securities law, "issuers" are liable for fraud, such as withholding these material facts from us.

Under securities law, victims can "pierce a corporste veil" to ma the officers, directors and shareholders of private corporations such as the Federal Reserve Bank personally liable for fraud.

I think they have committed fraud by failing to sufficiently disclose background information about the notes they issue, and they should all be sued.

5/12/2005

Jun 01 05 01:27p MARCH FINANCIAL SERVICES 818 998 5049 p.18

Page 3 of 4

All officers, directors and shareholders of all the Federal Reserve Banks are, in my opinion, civilly responsible for losses which have accrued to all of us who have Federal Reserve Notes.

Would we win? In an intellectually honest court, no doubt.

The American people have been robbed of trillions by the Federal Reserve crime family.

Every time Alan Greenspan makes a slip of the tongue about his thoughts on interest rates, American shareholders, union pension holders, widows and orphans, people with stock portfolios feel the impact of this malicious manipulation of equities causing billions of dollars of life savings to evaporate in an afternoon. But this is nothing compared to his robbery by inflation.

Consumers feel the loss of their purchasing power when bread and orange juice go up 40% in six weeks, as they recently have. Cat food is up fifty percent. The inflation spiral is just about to get out of control.

Americans, impoverished by debt service and inflation, have on the average $1,200.00 in savings, according to a recent survey commissioned by Merrill Lynch. They are a month away from eviction.

All the talk of prosperity in the press pertains to 5 or 10 percent of the population, i.e. professionals, dot com yuppies, and the merchant elite.

In reality, the Federal Reserve has done a number on most of us. While my heart says the Feds deserve worse, my mind says the best response is a suit against the individuals behind the Fed for securities fraud, racketeering, deceit and violations of the Constitution.

The plaintiffs could include anybody who has a dollar bill in his her pocket. We could have a lot of plaintiffs.

The law suit would be filed in the United States District Court in Washington, DC, and seek trillions of dollars in damages and forfeiture of all Federal Reserve assets.

It would be a large undertaking, but it would be worth it.

Victory could mean a change in the way the United States

5/12/2005

currency system and our economy work.

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REALITY ZONE

Creature From Jekyll Island

A printer-friendly version of this commentary can be found on the Freedom Force website in the Issues Section. To go directly to it

MEET EDWARD FLAHERTY, CONSPIRACY POO-POOIST

A response to a critic of *The Creature from Jekyll Island*
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Edward Flaherty is a Ph.D. of Economics who has been critical of my book, *The Creature from Jekyll Island: A Second look at the Federal Reserve*. Periodically I receive inquiries from readers who have visited Flaherty's web site, and they want to know if I can rebut what he says. I put this off for a long time because, first, his critique is lengthy and loaded with minutia that requires considerable time to respond properly and, second, the number of inquiries has been so small as to place the importance of this task far down on my list of priorities. Nevertheless, whenever I get an inquiry, I dread that my reader may think that a lack of response is a sign of not being able to defend my work; so, at last, I decided to step up to the plate and swing at the ball that Flaherty has thrown in my direction.

The essence of Flaherty's critique is that anyone who opposes the Federal Reserve must be some kind of a kook, totally lacking in scholarship. He lumps all Fed critics together, those who bring scholarship to the topic as well as those who do not, and the mixture tends to discredit everyone. It is an old tactic of dumping garbage into the grocery bag so that it all smells like garbage and is rejected in total.

On September 5, 2004, I received an email from a reader who had compared comments made in my recorded lecture with what Flaherty's web site says and asked for clarification. What follows is his inquiry with

Jun 01 05 01:27p MARCH FINANCIAL SERVICES 818 998 5049 p.21

my reply embedded at appropriate locations.

My reader begins by quoting from my recorded lecture, followed by a quote from Eustace Mullins:

My lecture: I came to the conclusion that the Federal Reserve needed to be abolished for seven reasons. I'd like to read them to you now just so that you get an idea of where I'm coming from, as they say. I put these into the most concise phrasing that I can to make them somewhat shocking so that, hopefully, you'll remember them:

1. The Fed is incapable of accomplishing its stated objectives.
2. It is a cartel operating against the public interest.
3. It is the supreme instrument of usury.
4. It generates our most unfair tax through inflation and bailouts.
5. It encourages war.
6. It destabilizes the economy.
7. It discourages private capital formation.

Eustace Mullins, *Secrets of the Federal Reserve*: "...the increase in the assets of the Federal Reserve banks from 143 million dollars in 1913 to 45 BILLION dollars in 1949 went directly to the private stockholders of the [federal reserve] banks."

My reply: I stand firmly behind my seven points but I do not agree with Mullins on this. Please do not lump my work with other writers. Flaherty does this a lot. Guilt by association is a ploy that must be challenged and rejected.

Flaherty: It would be a mistake to examine these conspiracy theories....

My reply: Stop right there. There is nothing about my work that merits being classified as a conspiracy *theory*. In modern context, it is customary to associate the phrase "conspiracy theory" with those who are intellectually handicapped or ill informed. Using emotionally loaded words and phrases to discredit the work of others is to be rejected. If I am to be called a conspiracy theorist, then Flaherty cannot object if I were to call him a conspiracy poo-pooist. The later group is a ridiculous bunch, indeed, in view of the fact that conspiracies are so common throughout history. Very few major events of the past have occurred in the absence of conspiracies. To think that our modern age must be an exception is not rational. Facts are either true or false. If we disagree with a fact, our job is to explain why, not to use emotionally-loaded labels to discredit those who disagree with us.

Flaherty continued: ... outside the context in which they were written.

My reply: I try hard not to present text outside its context. When searching through hundreds of documents and thousands of pages, it is inevitable that some subtleties of context may be missed, but so far I have not yet been advised of any instances of this. I welcome any corrections; but, until specifics are brought to my attention, I stand firm on everything I have written. Furthermore, I resent the implication that my work could not stand without taking text out of context.

Jun 01 05 01:28p MARCH FINANCIAL SERVICES 818 998 5049 p.22

Flaherty: All the conspiracy authors whose work I study here profess a belief in the alleged 'New World Order' conspiracy, or some variant thereof.

My reply: An informed reader would not waste time beyond this point. It is absurd to claim that a blueprint for a New World Order based on the model of collectivism is merely "alleged." The evidence that this is a demonstrable fact of modern history abounds. Some of that evidence is presented in my work, *The Future Is Calling*, found in the of the Freedom Force website.

Flaherty: Hypothesis: Each of the 12 Federal Reserve banks is a privately owned corporation. Like any firm, their main objective is to maximize profits. They do so by lending the government money and charging interest. They manipulate monetary policy for their own gain, not for the public good. Facts: Yes, the Federal Reserve banks are privately owned, but they are controlled by the publicly-appointed Board of Governors. The Federal Reserve banks merely execute the monetary policy choices made by the Board.

My reply: Basically, Flaherty is correct as far as he goes. But, as we shall see in so many of his statements, he stops short of the entire truth. A half-truth is just as much of a deception as an outright lie. Flaherty says that the Board of Governors is politically appointed. This is true and it is supposed to make us feel safe in the thought that the President responds to the will of the people and that he selects only those who have the public interest at heart. The part of the story omitted by Flaherty is that the President does not select these people from his own personal address book, nor does he ask the public to submit nominations. With few exceptions, he makes appointments from lists given to him by the staffs of banking committees of Congress and from private sources that have been influential in his election campaign. The most powerful of all these groups are the financial institutions (including prominent members of the Fed itself) and the media corporations over which they have effective control. One does not have to be a so-called conspiracy theorist to recognize the tremendous influence that these institutions have over the outcome of presidential campaigns, and anyone with knowledge of how our current political system works will understand why the President makes exactly the appointments that the banks want him to make. All one has to do to see the accuracy of this appraisal is to examine the backgrounds and attitudes of the men who receive the appointments. While there is an occasional token individual who appears to come from the consumer sector of society, the majority are bankers deeply committed to the perpetuation of the system that sustains them. Anyone who would seriously challenge the power of the banking cartel would never be appointed. So, while Flaherty is correct in what he says, the implication of what he says (that the Fed is subject to control of the people through the political process) is entirely false.

Flaherty: Nearly all the interest the Federal Reserve collects on government bonds is rebated to the Treasury each year, so the government does not pay any net interest to the Fed.

My reply: Here is another half-truth that is a whopper deception. It is true that most of the money paid by the government for interest on the national debt is returned to the government. That is because the Fed's

Jun 01 05 01:28p MARCH FINANCIAL SERVICES 818 998 5049 p.23

charter requires any interest payments in excess of the Fed's actual operating expenses to be refunded. However, before we jump to the conclusion that this is a wonderful benefit, we must remember that the banking cartel is able to use tax dollars to pay 100% of its operating expenses with few questions asked about the nature of those expenses. After all of those expenses are paid, what is left over is rebated to the Treasury, as Flaherty says. There is no secret about this, and you will find an explanation of it in my book. Technically, there is no "profit" on this money. However, remember that creating money for the government is only one of the functions of the Fed. The real bonanza comes, not from money created out of nothing for the government, but from money created out of nothing by the commercial banks for loans to the private sector. That's where the real action is. This is the famous slight-of-hand trick. Distract attention with one hand while the coin is retrieved by the other. By focusing on the supposed generosity of the Fed by returning unused interest to the Treasury, we are supposed to overlook the much larger river of gold flowing into the member banks in the form of interest on nothing as a result of consumer and commercial loans.

Flaherty: Hypothesis: Bankers and senators met in secret on Jekyll Island, Georgia in 1910 to design a central bank that would give New York City banks control over the nation's money supply. Facts: The meeting did take place, but plans for a return to central banking were already widely known. Regardless, the proposal that came out of the Jekyll Island meeting never passed Congress. The one that did, the Federal Reserve Act, placed control over monetary policy with a public body, the Federal Reserve Board, not with commercial banks.

My reply: Here again we have a half-truth that functions as a deception. Plans for a return to central banking, indeed, were already know, but they were unpopular with the voters and large blocks of Congress. That was the very problem that led to the great secrecy. Frank Vanderlip, one of the participants at the Jekyll Island meeting, later confirmed that, if the public had known that the bankers were the ones creating legislation to supposedly "break the grip of the money trust," the bill would never have been passed into law. The facts presented in my book, and fully documented by references from original sources, show that my version is historical fact. Flaherty attempts to minimize these facts by implying that the original, secret meeting was not important because the first draft of the legislation was rejected. What he does not say is that the second draft that was passed into law was essentially the same as the first. The primary difference was that Senator Aldrich's name was removed from the title of the bill and replaced by the names of Carter Glass and Robert Owen. This was to remove the stigma of Aldrich as an icon for "big-business Republicans" and replace it with the more popular image of Democrats, "defenders of the working man." It was a strategy advocated by Paul Warburg, one of the participants at the Jekyll Island meeting. The fact that Flaherty makes no mention of this suggests that he has not made an objective analysis but, instead, has presented a biased critique in the guise of scholarship. His statement that "the Federal Reserve Act, placed control over monetary policy with a public body, the Federal Reserve Board, not with commercial banks" cannot be taken seriously. The Federal Reserve is not a public body in any meaningful

Jun 01 05 01:29p MARCH FINANCIAL SERVICES 818 998 5049 p.24

sense of the phrase.

Flaherty: Hypothesis: Through fractional reserve banking and double-entry accounting, banks are able to create new money with the stroke of a pen (or a computer keystroke). The money they lend costs them nothing to produce, yet they charge interest on it. Facts: The banking system is indeed able to create money with a mere computer keystroke. However, a bank's ability to create money is tied directly to the amount of reserves customers have deposited there. A bank must pay a competitive interest rate on those deposits to keep them from leaving to other banks. This interest expense alone is a substantial portion of a bank's operating costs and is de facto proof a bank cannot costlessly create money.

My reply: Flaherty presents facts that in no way contradict what I said in my book. I speak of rotten apples, and he speaks of sweet oranges. My book makes it clear that the bank's ability to create money is tied to its reserves. The current average ratio (it varies depending on the bank) is about ten-to one. In other words, for every one dollar on deposit and held in reserve, the bank can create up to an additional nine dollars out of nothing for the purpose of lending. The statement that the banks must pay a competitive interest rate on those deposits is humorous when one considers the math. For example, let us assume for the sake of illustration that the bank pays 1.5% interest. Then it turns around and charges, let's say 6.5% interest. That's a spread of 5%. Although that's a pretty good brokerage commission, it doesn't sound exorbitant. But, here is another of those half-truths. Don't forget that the bank uses each deposited dollar as a so-called reserve for creating up to an additional nine dollars in loans. It collects interest on these loans as well. Let us assume that the bank is not fully loaned up, as they call it, and has an average of only eight dollars in magic-money loans for every one dollar on deposit. In that case, it will collect 6.5% interest on all eight of those dollars. That means, based on each dollar placed on deposit, the bank will collect 52% in interest. After paying the original depositor the generous "competitive" amount of 1.5%, the bank actually receives a brokerage fee of approximately 50%. When Flaherty says that "This interest expense alone is a substantial portion of a bank's operating costs and is de facto proof a bank cannot costlessly create money," one can only wonder what banking system he is describing. It certainly is not the one in the United States.

Flaherty: Hypothesis: Supporters of the Federal Reserve Act knew they did not have the votes to win, so they waited to vote until its opponents left for Christmas vacation. Since a majority of senators were not present to vote on the bill, its passage is not constitutionally valid. Facts: The voting record clearly shows that a majority of the senate did vote on the bill. Although some senators had left Washington for the holiday, the Congressional Record shows their respective positions on the legislation. Even if all opponents had all been present to vote, the Federal Reserve Act still would have passed easily.

My reply: I agree with Flaherty on this issue and often have said so in the Q&A portions of my lectures. Please note that this is not contradictory to what I wrote in The Creature. What I said there is an accurate historical fact. There is little doubt in my mind that the vote would have passed eventually, but by slipping it through as they did, it circumvented the possibility of challenges and debate. I have never

Jun 01 05 01:30p MARCH FINANCIAL SERVICES 818 998 5049 p.25

commented on the Constitutionality question, although I tend to think that a strict interpretation would have made this vote invalid. The problem here, however, has nothing to do with the Federal Reserve Act but with the rules of Congress.

Flaherty: Hypothesis: All money is created only when someone takes out a loan. Therefore, there can never be enough of this debt-money in circulation to repay all principal and interest. This imbalance causes inflation, financial crises, social maladies, and will eventually destroy the economy unless there is a massive injection of "debt-free" money. This idea is from Dr. Jacques Jaikaran's book, The Debt Virus. Facts: The hypothesis shows an incomplete view of how the banking system interacts with the economy. The system necessarily creates an amount of "debt-free" money equal to the interest on its loans. It does this whenever it pays operating expenses, dividends, or purchases assets. As a result, there is more than enough money in circulation to retire all bank-related debt.

My reply: I object to being lumped together with other analysts on this issue. I did not write *The Debt Virus*, I wrote *The Creature from Jekyll Island*. On page 191, I explained why I consider the claim that there is not enough money to pay off interest to be a myth.

Flaherty: Hypothesis: The Federal Reserve consistently resists attempts to audit its books. This is because any independent inspection would reveal the Fed's treachery. Fact: Independent accounting firms conduct full financial audits of the Federal Reserve banks and the Board of Governors every year. The Fed is also subject to certain types of audits from the Government Accounting Office.

My reply: I never wrote or implied, as Flaherty says, that "any independent inspection would reveal the Fed's treachery." What I wrote is: (1) The Fed resists external audit; (2) If it were audited by an independent party, I suspect there would be nothing illegal found; (3) The problem is not that it steals from the American people illegally but that it does so legally; (4) Therefore, we do not need to audit the Fed, we need to abolish it.

Flaherty: Hypothesis: Major European banks and investment houses own the Federal Reserve. From across the Atlantic they dictate monetary policy for their own benefit. Facts: No foreigners own any part of the Fed. Each Federal Reserve bank is owned exclusively by the participating commercial banks and S&Ls operating within the Federal Reserve bank's district. Individuals and non-bank firms, be they foreign or domestic, are not permitted by law to own any shares of a Federal Reserve bank. Moreover, monetary policy is controlled by the publicly-appointed Board of Governors, not by the Federal Reserve banks.

My reply: Flaherty is basically correct, and I have never claimed in my book or in my lectures that it was otherwise. I do not appreciate being lumped together with those who claim foreign control over the Fed. The real danger in this line of reasoning is that it is often coupled with the argument that, if we could only get control away from foreigners and put it into the hands of Congress or the Treasury, then everything would be all right. In truth, even if the Fed were in the hands of foreigners, placing it into the hands of American bankers and politician would make little difference. The Fed does not need to be converted into a government agency. It needs to be abolished.

Jun 01 05 01:30p MARCH FINANCIAL SERVICES 818 998 5049 p.26

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Testimonials

"A superb analysis deserving serious attention by all Americans. Be prepared for one heck of a journey through time and mind."

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Coordinator Academic Affairs,
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"A magnificent accomplishment — a train load of heavy history, organized so well and written in such a relaxed and easy style that it captivated me. I hated to put it down."

Dan Smoot
Publisher/Editor, Dan Smoot Report

Comments from some of our readers:

"...I have just finished reading your book, *The Creature from Jekyll Island*. Without a doubt, your book has to be the absolute best book that I have ever read. I have read books about money, banking and of the Federal Reserve, such as *The Ron Paul Money Book* by Ron Paul; *The Case Against the Fed* by Murray N. Rothbard; *Age of Inflation* by Hans F. Sennholz, as well as other books on the "Free Enterprise system". As good as these books are, none of them can compare to your book.

....I have classified your book as a "must read" for anyone interested in learning about the monetary system."

H.B.,
Ontario, Canada.

"...Thank you for your time and efforts authoring (this book).... I learned more about economics from your single book than I did pursuing a BBA at a state college. Fractional reserve banking and fiat money were mentioned, but their history and effects upon our economy were not. A majority of the time was devoted to the derivation of economic formulas, (educated the masses to be productive, not thinkers)."

L.C.,
Poynette, Wisconsin.

Jun 01 05 01:31p MARCH FINANCIAL SERVICES 818 998 5049 p.27

"...I have just finished reading your marvelous book, and must declare that the information you presented has cleared more sleep from my eyes than any other printed information, with exception to the Holy Bible. And I recognize that the Holy Spirit of GOD is with you in your investigative journey."

D.C.,
Charlotte, North Carolina.

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Review of Creature from Jekyll Island

Killing the Banking Beast
Jane H. Ingraham
The New American
Vol 10, Number 18, September 5, 1994

Has it ever occurred to you that the federal government has no need of taxes for revenue? Are you aware that banks prefer lending to governments because governments seldom repay loans? Do you realize that if all debts, both public and private, were paid, there would be no money at all in circulation?

These are only a few of the startling facts that fill the pages of this illuminating expose of the Insider scam called The Federal Reserve System (Fed). Although author G. Edward Griffin admits to having wondered if another book on the Federal Reserve is necessary (his six pages of bibliography suggest that the subject may have previously attracted attention), it is unlikely that any book has ranged across 2,000 years of money and banking from Diocletian to the Rothschilds to Alan Greenspan — and tied it into the new world order — as thoroughly as The Creature From Jekyll Island.

Griffin cuts through the obscurities about the Fed that are intentionally meant to mystify and disarm its victims (all of us). Convinced that the subject of money and banking is too arcane and complicated to understand, we victims are trapped in a world view that utterly fails to jibe with reality. The money manipulators, says Griffin, are exploiting our ignorance for the advancement of their own appalling plans; the urgency of awakening us to our danger has driven Griffin to write this extraordinary book.

Although Griffin has never held an academic position, he is a top-notch teacher. Making this little-understood subject simple by splendid organization, his account is divided into six sections with varying numbers of chapters; each section and chapter is introduced by a concise

Jun 01 05 01:31p MARCH FINANCIAL SERVICES 818 998 5049 p.28

paragraph while each chapter is also summarized. Thus the reader is kept in touch with where he has been and where he is going, an ingenious and helpful device considering the enormous scope of Griffin's narrative.

His explanations and definitions are meticulously worded; one can sense the care with which each word was chosen, leaving no room for confusion. Griffin continually draws documentation from primary sources, quoting letters, speeches, and published works that both enlighten and horrify. His own writing is difficult to quote; it is so trenchant that nearly every sentence entices. Yet at the same time Griffin has mastered the art of speaking personally to the reader, who never loses the feeling of being directly addressed. All this adds up to a superbly clear, engrossing book that, once started, is impossible to put down.

Setting the Stage

In order to help us fully understand our present predicament, Mr. Griffin ranges far afield in explaining the historical, economic, and political antecedents of today's money system. We are given a crash course on the nature of money; the origin of banks and the concept of fractional reserves; how this led to the seductive idea of using the same money over and over; how this inevitably led to economic disaster wherever and whenever tried. We are instructed about the Rothschild formula, which perfected the art of making enormous profits from loans to governments, especially for wars; how this led to preventing any one nation from becoming strong enough to establish peace (the famous balance of power); how those who could instigate wars or revolutions were financed (including the Bolsheviks in 1917); how we Americans were sucked into World War I in order to save J.P. Morgan's loans to England; how environmentalism is now the weapon of choice replacing war.

We are taken to the super-secret meeting of Insider financiers and Rothschild agent Paul Warburg on Jekyll Island in 1910 where the basic plan for what became the Federal Reserve Act was formulated; we learn that these plotters were already affiliated with the conspiratorial British one world Round Table group which preceded the Council on Foreign Relations (our secret government); we are astounded by the brazen deception of Congress that pushed through this unconstitutional act creating the Insiders' fundamental tool — a central bank with the ability to inflate. We are told how this same tool has been expanded internationally through the International Monetary Fund (IMF) and World Bank in order to create worldwide inflation, pay enormous sums of perpetual interest on never paid-up loans to Insider banks, and socialize the Third World, all courtesy of us unsuspecting taxpayers. Lastly, Griffin foretells our dismaying fate if our course is not altered; then he lays out a step-by-step procedure of how to alter it, inviting us to join with him in doing so.

Griffin looks the Fed "creature" straight in the eye and tells us it is not federal, it has no reserves, and it is not a bank. It is, in fact, a pernicious cartel operating against the public interest. The widespread belief that the Federal Reserve exists to "stabilize the economy" is hogwash; the real reason for its existence is the making of money — not

Jun 01 05 01:32p MARCH FINANCIAL SERVICES 818 998 5049 p.29

out of "thin air" as is commonly supposed, but, more accurately, out of debt. Griffin explains that it is the act of borrowing by the federal government that causes money to spring into existence.

Griffin takes us through the Open Market steps by which Treasury IOUs (bonds) are inverted by the Federal Reserve into money through the issuance of Federal Reserve checks with no money in existence to cover them; anyone else doing this would go to jail. Congress has made this legal for the Fed, however, because this hidden process allows our congressmen to enjoy unlimited revenue without having to visibly raise taxes. Without this service, says Griffin, the monetary/political partnership would dissolve, and Congress would abolish the Fed.

Money Multiplied

Griffin explains that these Federal Reserve checks are endorsed by the government, deposited in a Federal Reserve bank, and used to pay government expenses by checks which create the first wave of fiat (unbacked paper) money that floods into the economy. Recipients deposit these checks into commercial banks that are part of the Fed system. Here is where the real inflationary action is. (The Federal Reserve holds "only" seven percent of the national debt of almost $5 trillion. The 12 percent held by foreigners and the 56 percent held by Americans are not inflationary because the money used for purchase already existed.)

Commercial banks, like the Federal Reserve, also create money out of nothing — and collect interest on it — by multiplying every dollar deposited nine times. This amazing feat is accomplished through the device of fractional reserves, whereby the Fed allows 90 percent of deposits to be loaned out. As deposits become loans and loans become deposits, this process repeats with smaller numbers each time around. For instance, $1 million in government money (first wave) to $900,000 (second wave), which gives birth to $810,000 (third wave), etc., until the process plays itself out. Thus, the banking cartel creates an amount of money that is nine times the amount of the original government debt that made the process possible.

Griffin shows that when the original debt is added in, the Federal Reserve and the commercial banks together have created approximately ten times the amount of the underlying government debt. Since this newly created money causes the purchasing power of all money to decline, the resulting rise in prices is, in reality, a hidden tax. As Griffin puts it:

> Without realizing it, Americans have paid over the years, in addition to their federal income taxes and excise taxes, a completely hidden tax equal to approximately ten times the national debt!

Griffin is astonished at the public's indifference to this fleecing; he blames it on ignorance based on disinformation. Nothing could prove him more right than the current deception that inflation is higher prices caused by full employment and a strong economy; therefore, letting the "steam" out of the economy and slowing growth (and thereby employment) is "good." This talk is madness. Alan Greenspan, chairman of the Federal

Jun 01 05 01:32p MARCH FINANCIAL SERVICES 818 998 5049 p.30

Reserve (who has the temerity to say he is "worried about inflation"), is repeating this claptrap as he pretends to control inflation by increasing interest rates that merely devastated the bond market, clobbered the stock market, and helped only the bankers. Thus the Insiders are perfectly protected and the scam rolls on.

There are many more threads to Griffin's discourse on the operations of the banking cartel that should not be missed, such as:

* How holders of Treasury bonds can be paid off only by the creation of an identical bond out of nothing.

*Why the U.S. has to be, must be, in debt.

*How the Discount Window (Fed loans to banks) creates more phony money.

*How the federal government could operate without levying any taxes whatsoever.

*How the Fed causes booms and busts.

*How, since 1913, our money has depreciated by over 1,000 percent.

*How a gold standard automatically stabilizes prices.

*How the Fed can now monetize the debts of foreign governments!

*Without the extensive knowledge offered by Griffin, no American can fully understand the financial reality of our time.

Understanding the Game

Also critical to our reality check is an understanding of how the Fed protects and enriches the banking brotherhood in the international arena. The game our Insiders are playing makes the Rothschilds look like novices. Here it is in a nutshell: The game starts with a mammoth loan (created out of nothing through the magic of fractional reserves) from (Citicorp, Chase Manhattan, Bank of America, etc.) to a Third World country with scant means of servicing the debt much less ever repaying the principle. Are these top bankers stupid? Hardly; Griffin explains that this is the kind of loan these bankers love, since they make their money from interest on the loan, not on repayment of the loan. They prefer the loan never to be repaid. They know they can't lose because the Federal Reserve guarantees that massive loans that go into default will not be allowed to seriously affect the issuing bank (too big to fail) because this would "disrupt the entire economy."

So, says Griffin, "since the System makes it profitable for banks to make large, unsound loans, that is the kind of loans banks will make. Furthermore, it is predictable that most unsound loans will go into default." Sure enough; pretty soon default threatens. The bank creates additional money out of nothing and lends that so its interest stream continues on both the original loan plus the new loan (the "roll-over" play). At the next crisis, the bank creates still more money out of nothing to cover the interest on both loans plus an additional amount for the borrower to spend freely (the "up-the-ante" play). Finally the bank agrees to a lower interest rate and a longer period for repayment (the rescheduling" play). Eventually it is time for the "Final Maneuver." Congress agrees to guarantee future payments and the whole mess is

Jun 01 05 01:33p MARCH FINANCIAL SERVICES 818 998 5049 p.31

shifted to the backs of U.S. taxpayers while the borrower is trapped into an IMF "austerity" program that makes an "end run" around his sovereignty.

Now money moves through various foreign aid channels to the deadbeat borrower, who continues to pay perpetual interest to the bank. Almost all of this money is generated by the Federal Reserve; as it moves out into the economy it dilutes the value of the money already there. The American people, says Griffin, have no idea they are footing the bill to enrich the Insider bankers.

Founder' Fears Realized

Readers may be surprised to learn that the Federal Reserve is the fourth central bank the United States has had, the previous three having crashed in inevitable raging inflation and widespread economic disaster. So clearly did our Founders understand and fear worthless paper money forced on the public by legal tender laws (precisely what we now have) that they filled the proceedings of the Constitutional Convention with statements of their horror of it. We Americans today, deprived of hearing such truth, need to listen to their words:

* George Mason of Virginia: "I have a mortal hatred of paper money."

* John Langdon of New Hampshire: "I would rather reject the whole [Constitution] than grant the new government the right to issue fiat money."

* George Reed of Delaware: "The right to issue fiat money would be as alarming as the mark of the beast in Revelation."

* Thomas Paine: "The punishment of a member of Congress who should move for such a law ought to be death."

Griffin does not stop with presenting the known picture, but projects today's reality into the future. His first projection is a doomsday scenario his second is a realistic plan for saving our country and ourselves. These chapters might, after all, be the most important ones in the book.

Griffin sees doomsday as an engineered financial debacle the severity of which will cause panicked Americans to welcome — a World Bank "rescue" with a world currency. The IMF/World Bank is already functioning — in conjunction with the Federal Reserve — as a world central bank. A world currency is already designed, awaiting a crisis to justify its introduction. From this point on, writes Griffin, there will be no escape from the new world order. At present the U.S. is being deliberately weakened by seemingly insane spending both at home and abroad: As just one more dismaying example, during President Clinton's recent trip to Europe he blithely promised more billions of dollars to Poland, Ukraine, and the Baltic countries. The name of the game is to spend on anything, anywhere. The object is to bring down the system.

Life in the New World Order

What will life be like in the Insiders' new world order? Griffin spells it out from the words of the Insiders themselves. One source is the

Jun 01 05 01:34p MARCH FINANCIAL SERVICES 818 998 5049 p.32

1966 secret Hudson Institute study commissioned by Defense Secretary Robert McNamara, entitled *Report from Iron Mountain.* This study cold-bloodedly discusses various means by which government might control the populace and perpetuate itself in power in the absence of war (UN peace).

Griffin's review (with extensive quotes) of this truly diabolical Insider study is masterful; he takes it apart and shows us it's consummate evil. The study's premise is that historically the only means by which a government has ever been able to "secure the subordination of citizens to the state" is war. Only war has been able to provide the external threat without which no government can accumulate power. War is used to make the masses put up with all kinds of privation, taxation, and controls without complaint. No amount of sacrifice in the name of victory is rejected. Resistance is viewed as treason.

But, says Griffin, *Report From Iron Mountain* explains that the war system may have to be replaced because "it may now be possible to create a world government in which all nations will be disarmed and disciplined by a world army, a condition which we will call peace. "In this case, what could be a substitute for war?

Here, explains Griffin, is the origin of the stratagem to promote ecological doom as the new enemy that threatens the entire world. The threat need not be real, provided the masses can be convinced it is real. Credibility is the key, not reality. Griffin writes that *Report From Iron Mountain* explains the avalanche of phony scientific claims that are uncritically publicized by the Insider-controlled media, as well as the funding of environmental "crazies" by corporations and businesses that would appear to have the most to lose. He sees the plan as being brilliantly successful.

The barrage of propaganda has had a phenomenal result. Politicians are now being elected on nothing but "concern for the environment and a promise to clamp down on nasty industries," with no one caring about the damage done to the economy or our freedoms. Just as no sacrifice is too great in time of war, what happens to the economy or our freedom is of no consequence "when the very planet on which we live is sick and dying."

Griffin introduces us to multi-millionaire Maurice Strong, the powerful UN environmental czar, who gives us the whole line: The U.S. is committing environmental aggression against the rest of the world. Current lifestyles of the affluent middle class — high meat intake, frozen and convenience foods, electric household appliances, cars, air conditioning, suburban housing — all this has to go. The world's ecosystems can be preserved only by lowering our standard of living by rationing, taxation, and political domination by world government.

Reading this section will forever change the way in which you view government. Yet, says Griffin, this perverted, power-mad Insider fix need not prevail. None of these dreadful things needs to happen. He outlines a procedure by which the Federal Reserve can be abolished, the national debt paid, and the country returned to a sound monetary system based on silver and gold. All that is needed are the efforts of concerned and caring Americans. Griffin invites us to join him in freeing ourselves from the one-world conspirators. It can be done.

Jun 01 05 01:34p MARCH FINANCIAL SERVICES 818 998 5049 p.33

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Jun 01 05 01:35p MARCH FINANCIAL SERVICES 818 998 5049 p.34